MR. RANTOUL'S SPEECH,

Delivered at the late Anti-Bank Meeting

IN SALEM.

1833

After the Resolutions moved by Mr. WHEATLAND had been read from the Chair, Mr. RANTOUL was repeatedly called for, from different parts of the meeting. He rose and said:

That it had been suggested to him that it was wished he should address the meeting, and on that suggestion he had intended to say a few words—but that he would have preferred first to have heard others advance their views. Being called on however, and having no disposition to conceal or keep back his opinions or feelings, he would come forward, though with some reluctance, now. This meeting was not limited to the citizens of Salem merely, but was one of the friends of the Administration, of whom he was one. He was born and brought up in this revenue District—had lived in Salem—and stood here now to speak the sentiments of three-fourths of the population of a town second only to Salem in this County, and having fifteen or sixteen hundred voters. After the subject matter of this evening's resolutions had been the topic of an animated discussion among the leading members of both parties in both Houses of Congress for four months past, it was not to be expected that any new light should be shed upon it, or that any novel or peculiar views should be presented. Yet, said Mr. Rantoul, I will not resist this flattering invitation, but will go on to express my sentiments fairly and fully, on the most momentous question that has ever been presented to the American people. For, when the liberties of a whole people are in danger—nay more, when the purity and durability of republican institutions are at stake—when the very existence of all the freedom that servives in this much governed and misgoverned world, depends on the issue, I hold it to be every man's duty to make his voice heard, like a trumpet note of alarm, wherever and whenever God shall give him opportunity to excite one faint heart, or arouse one careless and unconcerned spectator. And I trust I may be pardoned when I step forward, not to court applause, but to incur odium—not to acquire favor or popularity, but to ensure hatred and opposition—to advocate what I believe to be a just cause, against those who tell us that we are few and they are many, that we are weak and

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they are strong—that they are intelligent, respectable—have all the wealth, and all the talents, and all the decency, and are made out of the porcelain clay of the earth—and that we are ignorant, a rabble, mechanical, base, no gentlemen, incapable of governing ourselves, but created to be trampled on—when I step forward not to do the bidding of those who are powerful here, and who rule this town and this Commonwealth, but to beard the lion in his den, the old federal bank in its strong hold of power, here, in the heart of old Federal Essex.

Sir, what are the charges brought against the present Democratic Administration by the Stockholders of the United States Bank, and their connexions and dependants, or, to borrow a little opposition politeness, by those who wear the golden collar of Nicholas Biddle?

They are—that it has commenced an unjust warfare against an innocent and unoffending corporation. That to carry on this warfare it has resorted to arbitrary and unconstitutional measures. That by these measures it has brought deep and universal distress on the community, and endangered a general bankruptcy.

It is this last charge that has given weight and currency to the former. A national Bank is not such a favorite with the nation, that they would enlist in its service against an administration of their own choice, neither could any one be made to believe that the measures taken against it are unconstitutional, unless it can first be shown that those measures are the cause of great distress to the nation. It is upon the extent and severity of the pressure, therefore, and its being attributed exclusively to the action of the Government that the party whose great leader prayed for war, pestilence and famine, rather than a Democratic Administration, must chiefly rely. Let us first examine then, this charge, the forlorn hope of the so often routed consolidationists, and enquire what is the extent, and what are the causes of the present distress.

What are we to think when we hear respectable gentlemen asserting that the present is a period of *unprecedented* distress? Must we not conclude that they are beside themselves? In the time of the American Revolution there was distress in every form, pervading all classes, real and serious distress, so that nobody doubted its existence. A part of it grew too, as the present troubles have partly grown, out of excessive issues of paper money; but setting aside the loss of life, the pecuniary suffering alone was vastly, incomparably greater, if we consider their limited means, to those engaged in that contest, than any distress felt at the preseat day—yet our fathers endured it all cheerfully, and went through it all manfully, because it was the price of their liberty and independence—and we, I trust, shall go through this much lighter trial, like children not degenerate of those who defied British gold and British arms, for the same great end, to secure our liberties from the power of gold in the hands of a tremendous corporation striving to perpetuate its monopoly, and to prostrate whatever is capable of offering any opposition to its purposes. In later times we have undergone an embargo which fell with a crushing weight upon our commerce. The blasted hopes, the broken hearts, the failures, the suicides, the gloom and despondency that settled upon New England, almost all who hear me remember well. That also was a period of real distress. People were not obliged to argue and declaim and to convince one another by forced inferences that

they were distressed. It was not told in every place—you are well off here—but in such a city or such a town there is scarcely a solvent house left. People were not obliged to invent tales of woe, such as that many hundred laborers were destitute of employment, in places where in fact laborers could not be found so fast as they were wanted; neither did prophets of evil cry aloud in the streets, destruction! destruction! and then go home to laugh in their sleeves at their own clamor. Then the distress was felt, because it was real—yet, bad as times were, that crisis was only a pause in the rapid march of the country to greatness; there is no reason therefore, to apprehend that our prosperity is at an end forever, because we experience inconveniences which compared to the calamities of those days, are but as dust in the balance.

After the embargo came the war, and who that remembers the sacrifice of property during the war, will not pronounce the present to be very good times in the comparison. That whole period was one of trial—from the disastrous commencement down to the glorious consummation in that crowning victory the brightest in our annals, when he who is now scattering dismay among the invaders of our rights turned back the columns of foreign foes. The country went through the pressure of the war, and came out of it and flourished after it, as it will live through the present pressure and flourish more than ever, in a few short months, when it shall have passed away.

But the three periods of calamity and suffering I have mentioned, grew, it is true, out of circumstances in the foreign relations of the country, and were not similar in their causes to the present. They are introduced, only with reference to their extent, to show that distress, compared with which all that is now felt is but a trifle not worthy to be mentioned, has passed over this country from Maine to Georgia, repeatedly, without sensibly impairing our resources; and that since the country has recovered from such severe shocks so suddenly and so completely that in a few years they seem to be almost forgotten, it is not to be apprehended that the difficulty which persons of indifferent credit find in obtaining loans, or that the slight advance in price which those of good credit are occasionally obliged to pay for such accommodations, furnishes any ground to fear that mutual confidence is about to be destroyed, or that commerce is about to be annihilated, much less that any other great interest is in the slightest danger of immediate injury.

Since the war, what has been our history? Has the uninterrupted peace of almost twenty years been a period of uninterrupted prosperity, as a stranger would suppose from the declamations of our orators? Very far from it. It is true that since the present Administration came into power, until within a few months, every branch of business has been successfully pursued; all the foreign and all the domestic concerns of the nation have been conducted so as to promote the general welfare, and for the last four years, no reasonable complaint has been heard from any class or interest. But at no other moment since the peace, under no other Administration, could it be said with truth that *four years* had passed without distress, great and palpable distress, much greater than has been felt since the United States' Bank began its tremendous system of operations to embarrass and to

convulse the commercial community. In 1817 the Bank began to issue—in 1818 and '19, the crisis came on. The fall in prices was dreadful—a long and heavy and harvest of failures followed. In the western country the paper money depreciated and finally became worthless. There was a long catalogue of broken Banks, and a catalogue without end of broken merchants. So impossible was it that debtors chould discharge their honest debts that stop laws and relief laws were enacted—attempts were made to render worthless rags a legal tender, and the whole credit system was converted into a perfect chaos. The Bank did not undertake to regulate the currency, as we are told it infallibly will in such cases, but closed its western offices and left the currency to regulate itself. In 1820, the manufacturers came before Congress and represented that inevitable ruin would be their lot without an exception unless higher duties were imposed for their protection. The request was not granted, but business of all kinds recovered a little immediately upon the refusal. After an interval of less than three years, in 1822, another revulsion took place. More than one hundred and sixty failures occurred in Boston, in a very short space of time, most of them of houses supposed to be firm. Similar disasters happened in other cities, and the distress, as every one who hears me knows, or if he does not know, may ascertain by turning to a file of papers of that date for facts not for declamations, was beyond all comparison greater than at any time for the last six months.

In 1825, there was a general prostration of credit all over the world. It passed over England like a tornado, and swept before it the long and established houses, the prudent, and the cautious, as well as rash speculators, involving all in a common calamity. In this country its effects, though not so terrible as on the other side of the Atlantic, were sufficiently appalling not to be confounded with such a derangement of the ordinary course of business as we all hear so much about of late, while so few of us feel it.

In 1828, a crisis came again, not so severe as that of 1825, but bad enough to serve for a contrast to the present. In 1828, the manufacturers, *as a body*, failed. It was much easier to tell who had survived the shock than to enumerate all that had fallen. A tariff was passed to save them, and they failed the faster after it was passed, besides the commercial failures which followed, not of people who had been insolvent for years, but of those who a year before, were worth their tens of thousands not to say their hundreds of thousands of dollars, and who had managed their business with ability and prudence. During most of the year 1829, the pressure continued till factory stock could hardly be given away, and shares which cost a thousand dollars in some cases were sold for a five dollar bill, and in others would not bring that price.

In every one of these revulsions prices experienced a ruinous decline, property was sacrificed, trade stagnated, every class suffered. Banks failed—borrowers were ruined, because they could no longer borrow—money letters were ruined, because those who had borrowed could not pay—custom house bonds were forfeited—produce rotted upon the producer's hands, for none could buy. How is it now? Prices of our own products have not fallen so much, as money, from

the diminished amount in circulation, has risen in value. The same is true of labor—the same is true of rents. Trade has gone on without a single day's suspension. The arrivals for the last three months at Boston were more numerous than for the same time last year. The custom house bonds are all paid punctually. Very few Banks have failed, and those have not made bad failures. Instead of every class and every interest suffering, as at every former revulsion, the agricultural class, the largest in the country, has been growing rich, receiving nominal prices higher than the average, and the same amount of money being worth more to them after they received it. Flour indeed has been very low—but it must not be forgotten that it has been lower in the western markets even as lately as 1830, and when there was no pressure. The most important interest in the nation, that of labor, has been as well off as ever, in demand, at high prices. Money letters, instead of failing by scores, have been gathering a golden harvest from the demand—though money borrowers whose credit was based on capital, have obtained sufficient accommodations at the expense of a slight advance in the rate of interest—one half of the money now on loan in the State of Massachusetts standing at or under six per cent, and for the greater part of the remaining half not exceeding seven per cent. In the face of these facts, and, whatever anonymous writers may say in the newspapers, where is the responsible man that dares to deny them?—In the face of these facts, who shall tell me that the present is a period of unprecedented distress—that the country is going through a crisis such as it never before experienced? At the very point where the pressure was greatest, at a time when the pressure had nearly reached its greatest height, in the city of New York, in the middle of January, *two million six hundred and sixty-five thousand dollars*, deposites of individuals, where lying idle in *three Banks* alone of that city, while the incendiary papers of the Commercial Emporium were daily representing to their readers that money could not be had on any terms, and with the best security! Sir, I ask any man who observes and has a memory, I do not mean that very common kind of memory which forgets whatever it is not convenient to remember, the political memory, but any man of fair impartial memory, whether he does not know from his own recollection, that of the five periods of revulsion since the peace, the present is by far the least calamitous. It does not need an argument—every body knows it. I do not believe there is a man in this hall who can seriously say that he doubts it.

But though no such distress has existed, as the panic makers have predicted and even described, there has undoubtedly been a pressure, sufficient to try people's patience in the cities and towns, though scarcely felt at all in the country. There has been a scarcity of money, inconvenient and in some instances highly injurious, though it has caused fewer bankruptcies of persons really solvent before than any previous crisis of the sort. Though the great majority of the mercantile community have been unharmed, still it is worth enquiry, what have been the causes of the evil, in order that we may know how to avoid them in future.

The first and greatest cause of the pressure was, no doubt, overtrading. There are fluctuations in the business of every country, almost as regular as the tides of the sea. They recur once in three or four

years, and grow out of the nature of business and the nature of man. The pressure is the cause of the prosperity which follows it, and that prosperity is the cause of the subsequent pressure—the one grows out of the other. While a period of pressure lasts, less business is done than the avarage wants of the community require. No stock accumulates in the hands of merchants, but as consumption still goes on, the stock they have on hand is gradually worked off, till by and bye the demand exceeds the supply. After numerous failures have broken up all those whose business was in an unsound state, and of those engaged in large transactions, left standing only such as had solid capital to trade upon, those who survive the shock, of course, are ready to take advantage of the favorable state of things which follows. To supply the extra demand business must be brisk and prices will rise. Merchants will launch with ardor into the reviving commerce which offers a field for enterprise, gradually enlarging their operations as their means enlarge and as success emboldens them, venturing to the verge of prudence. The numbers who rush into eager competition with each other, overstock the markets—the supply exceeds the demand, and consequently prices fall, and from the reaction, fall lower than there is any real necessity for. These alterations are natural—always have happened and always will happen—but there is another agent influencing the operations of Commerce, stimulating their expansion and heightening the subsequent reaction, and that is paper money. When business first becomes brisk confidence returns again, loans are easily obtained, and vast quantities of paper being issued, the circulating medium is enlarged in quantity, and necessarily diminished in value. Money being of less value, the nominal prices of all other articles rise; every holder of goods supposes he is growing rich by their increase of value in his hands, and strains his credit to the utmost limit to take advantage of the rising market. This artificial and fictitious creation of imaginary wealth, merely by a depreciation of the currency, deceives many and forces all into overtrading—but the moment the demand for goods begins to slacken, the error is discovered—holders of goods hasten to get rid of them before the fall is ruinous, and in their competition undersell each other and run prices down faster and lower than they ought to go. The reaction once begun, confidence ceases—the Banks contract their issues—money rises in value, and of course the nominal price of every article falls proportionately, from this cause also. It is this circumstance that makes the revulsions in business, which, without it, would be gradual, so sudden and so terrible. During the general war in Europe the bills of the Bank of England had fallen 30 per cent. below gold; of course all nominal prices were 30 per cent. higher than the real values. In the crisis which followed the peace, ninety-two Banks failed, the rest contracted their issues till paper rose to a par value with gold, and the Bank of England resumed specie payment. After this change every man's estate, even if he met no losses, was rated at least 30 per cent. less than before. Yet the disasters of that gloomy period did not prevent another flood of paper money—another rush into speculations of all sorts, till the commerce of the world was more overdone than it ever had been before, and the crash of 1825 ensued—of which this country felt its share. In 1828, the manufacturing of the United States was overdone. The tariff of

that year did not prevent the reaction from accomplishing its work thoroughly—the ruin did not stop till the business was entirely prostrated. For the last four years the present crisis has been coming on. A healthy Commerce has been expanding itself wonderfully. The wise conduct of the Administration has contributed to make this expansion safer than it would otherwise have been, and to delay and diminish the reaction. It has done this by opening new avenues to Commerce, by giving it increased facilities and security, by bringing capital into the country in the shape of indemnity for foreign spoliations. The free admission of goods which formerly paid high duties has also enlarged our trade.

But there has been an unhealthy growth from too great a stimulus; the excessive issues of Bank paper. In the year 1831, the Bank of the United States extended its loans more than 20,000,000 of dollars, being an advance of *about fifty per cent.* upon its accommodations in a single year. Nor did it stop there. It continued to extend until May 1832, when it reached its highest point, 70,428,000 dollars, having increased more than *seven millions* in the first five months of 1832. This immense addition to the circulating medium, and to the means of trade, itself sufficient to induce overtrading, is not all the effect the Bank has had in stimulating speculations. Its extensions have caused other Banks to extend, and all the stimulus that Bank facilities could give to business seems to have been administered all over the country. No wonder then that there should be overtrading. The wonder is that it has not produced a still greater reaction. The fact that the overtrading has been great, is not an inference gathered from these general reasonings, but appears upon the Government returns. In 1830, the imports amounted to 70,000,000. In 1831 and 1832, they averaged 102,000,000. In 1833, they had risen to the enormous sum of 109,000,000, making an excess of more than 100,000,000 of dollars in three years, above what the importations would have been if they had not exceeded the standard of the year 1830. With the fact before us of the regular revulsions in trade after intervals of about *three* years ever since the peace—with the fact of the rapid increase of trade during the last interval of *four* years, he who can believe that the late revulsion was caused by withholding the deposites from the mammoth Bank, would as readily, and with as much reason, suppose that the ebb and flow of the tides in the ocean was occasioned by his taking out or putting in a bucket of water.

Though the general fluctuation, however, is certainly one of the causes, yet it is by no means the only cause of the present pressure. In this case other circumstances have concurred to aggravate it. By the Act of the 14th of July, 1832, the duties on woolens were to be paid in cash, and those on other goods in three and six months instead of the long credits, that, down to that time, had been allowed. In consequence of this act, the duties falling due in 1833, were 28,500,000, while those for 1834, are estimated at 15,000,000 only, making an excess for 1833, of $13,500,000. A large amount of duties becoming due in the great cities, in the latter part of 1833 and first part of 1834, (in New York three and a half millions were paid in one week) would of course create a great demand for money and increase the scarcity.

But a more effective cause of the present distress is to be found in

the curtailments of the Bank of the United States. Having extended to the utmost till it had brought vast numbers within its grasp, it then suddenly contracts, and calls for payment at the moment when it knows that the call will be most embarrassing. From the middle of August last, the Western branches had orders to purchase no bills but those having not more than ninety days to run, and payable in the Atlantic cities. While thus concentrating upon the cities as heavy demands as possible, it reduced its accommodations in those cities at a rapid rate. Its aggregate of debts due to it in May, 1832, was $70,428,000. This it has brought down to about 54,000,000. From August 1st to October 1st, their curtailments were 4,166,000, while the public deposites in their vaults increased $1,582,000, making a diminution of the accommodations of the public, of almost six millions in *two* months and before the deposites were removed. From August 1st to December 1st, the curtailments amounted to 9,600,000, while the deposites during the same time were decreased only 2,437,000. A curtailment for *four* months at the monthly rate of 2,400,000, about equal to the difference between the deposites on hand on the first of August, and those of the first of December. In Boston, the curtailment amounted in six months to 4,200,000 and in January alone it was 700,000. This of course forced the State Banks, in self defence, to curtail still more, when they had every disposition to enlarge their discounts and relieve the money market.

That this curtailment was one great cause of the pressure, is evident enough without argument—but what shows it in a striking manner is the relief felt in the great cities immediately on the removal of the deposites. The discounts by the Deposite Banks, though not equal to the immense curtailments of the United States Bank, were sufficient to be of essential benefit. This was felt and admitted every where, by friends and enemies of the removal. Even the Boston Courier, while condemning the measure in the severest terms, informed its readers of the beneficial results that had been realized, and innumerable other testimonies equally unexceptionable, might be adduced, if it were necessary.

But overtrading at the rate of thirty-three millions a year, the payment of two years duties in less than one year under Mr. Clay's bill, a curtailment by the mammoth Bank, as rapid as the fear of breaking its customers and so losing its loans would allow it to be, a forced curtailment of equal extent by all other Banks—all these powerful causes of distress combined, and brought to operate with their full force, particularly upon the State and City of New York, the centre of the commercial operations of the nation, were not enough, because the orators of war, pestilence and famine, held in their hands one other scourge which they could inflict upon a suffering people. That scourge was panic. And if a host of demons had been let loose in human shape, to work all woe and harm that the malice of fiends could suggest to them, they could not have labored more indefatigably in their infernal mission, than have the panic-makers in the Congress of this Republic. These men devoted all their vast talents to the perpetration of evil, and it would be doing them injustice not to admit that in some degree they succeeded. They would have succeeded to a much greater degree, no doubt, if the nation had not known them for some

years past to be "prophets of woe forever boding ill;" and if a great majority of the people had not recollected that ever since the National Republican party had been organized, the predictions of its leaders had generally with the utmost regularity been falsified by the event. They predicted in 1828, that Mr. Adams would be re-elected, consequently he was left in a small minority—they predicted in 1832, that Clay would be chosen, and the Democracy triumphed by a more decided majority than ever—they predicted that the President would favor Nullification, and of course he suppressed it—they predicted that he would not dare to veto the Bank Bill, of course he vetoed it. Whenever their barometers foretold a storm, the political atmosphere always cleared up brighter than ever—their facts were wind, and their speculations vanity. When they began to cry wolf, therefore there were not so many alarmed as would have been if the alarmists had never been known to cry wolf before. When they began to cry loudest, that times would continue to grow worse, people of good memories naturally concluded they would soon grow better—and the course affairs are now taking seems to justify the correctness of this conclusion. The panic, however, when first started, had its effect. If a man should cry fire, or murder, in the streets, he might excite a panic, but that panic would have no direct tendency to produce a fire or murder; but if a man cries out that a Merchant or a Bank is likely to fail, this prediction tends directly to produce the catastrophe foretold. At the very opening of the present session of Congress, a fierce attack upon commercial credit and on the confidence of the public in their monied institutions, was begun, and has been kept up without intermission for almost four months. The first speeches in Congress increased the pressure very perceptibly; those of Clay and McDuffie cost the nation millions of dollars. While the leaders at Washington sounded the trumpet to cheer them on, organized bands of incendiaries in every part of the country carried on their systematic efforts to destroy that confidence which is the life of credit. They reported failures which never happened—they exaggerated all that did happen—they pretended to doubt the credit of the deposite Banks—they concerted runs upon the safety fund Banks in New York—and circulated fabricated accounts of numerous failures of Banks in the South and West. Nor did they confine themselves to the invention of imaginary distresses and the exaggeration of what really existed. They assured their dupes that all the misery, horrible as it was in their description, was light compared with what was soon to follow. And if the people generally had not been too wise to believe them, their predictions would all have been realized. Their prophesies would have caused, for it was their natural tendency to cause, the whole aggregate of evil which they foretold. And what sort of a situation they would then have brought the country to, any one may see by reading their speeches; wherein they portray and faithfully portray, the ruin they expect to come on all, and which must have grown out of such a panic as such predictions would have produced, if the people had not lost all confidence in the authors of those predictions.

I have shown, Sir, that there have been four principal causes cooperating to produce the pressure that has been felt for the last six or seven months. *Overtrading*, occasioned in a great degree by the ex-

cessive loans of the Bank of the United States—the *cash payments* and the short credits under Henry Clay's Bill—the *rapid curtailments* by the Bank of the United States, when the two former causes had begun to operate—and immediately after, the *panic*, got up by the friends of the Bank, and for the special benefit of the Bank. So far as these causes go, the Bank and the Bank party are responsible to the country for all the distress, except the slight reaction which would have taken place, after three or four years of uninterrupted, unexampled prosperity, even if we had employed a metalic currency. But when I examine these causes, and consider their magnitude, I am astonished that the distress has not been greater. It becomes an interesting subject of inquiry, why there has been no more distress—a question at least as difficult to answer, as why there has been so much. And in endeavoring to discover a satisfactory solution of this question, I find it to be intimately connected with another—what effect was produced by the removal of the deposites?

IT SAVED THE NATION FROM RUIN. For if in 1822 and 1825, there were such harvests of failures, when the reaction had had less than three years to gather force—if in 1819, the reactien was so tremendous, that it not only broke the Western Banks, but brought the Bank of the United States to the brink of bankruptcy—so near that its President, Mr. Cheves, himself declared that "all the resources of the Bank would not have sustained it in this course and mode of business another month. Such was the prostrate state of the Bank of the Nation, which had only twenty-seven months commenced business, with an untrammelled capital of twenty-eight millions of dollars." If in 1828 and '29, the Atlantic coasts were swept by a revulsion which laid every thing prostrate, when the Bank in the full possession of its vigor exerted all its boasted power to save, and could give no relief, what might not be expected to happen in 1834, after a longer interval of prosperity, which would naturally produce a greater reaction—after a greater and more sudden expansion of Bank credits than had ever before been known—and when the present author of this expansion, the Mammoth Bank, which had increased its loans about fifty per cent. in one year, was pressing all within its grasp, and doing all in its power to crush the whole credit system of the country, and the whole mercantile community into utter ruin? "To call in this loan at the rate of *eight millions a year*," said Mr. Webster, in his speech on the veto in July 1832, is an operation, which, however wisely conducted, cannot but inflict a blow on the community of *tremendous force, and frightful consequences. The thing cannot be done without distress, bankruptcy and ruin to many.*" The Bank is calling in its loans, not at the rate of eight millions, but at the rate of about *thirty millions* of dollars per annum—not in a period of prosperity like the year 1832, but just on the eve and during the stress of a periodical revulsion of commerce—not by an operation wisely conducted, but in a manner calculated to create the greatest possible embarrassment. Have we not a right, then, to expect that the blow would be one "of tremendous force and frightful consequences"? In 1830, Nicholas Biddle testified before the Finance Committee of the Senate that "*there are very few Banks* which might not have been *destroyed* by an exertion of the power of the Bank." The Bank has set itself in direct hostil-

ity to the Banks created by the States. It has put forth the most strenuous exertion of its power to destroy them. Might we not expect, then, to have failed with *very few* exceptions, instead of standing almost without exception? With a curtailment tenfold more fearful, when we look at its amount, time and manner together, than that from which Mr. Webster predicted such frightful consequences, with a power which boasts that it can break all the Banks in the country, exerting itself to the utmost to break them, with the extra payments of fourteen millions under Clay's bill, and with all the panic which all the party which claims a monopoly of talent, as well as of all other distinctions, could create, even when hesitating at no means that could heighten alarm—with these concurrent circumstances to increase the regular pressure which the natural cause of business must at this time bring with it, was it not to be expected that the present crisis should be by far the most terrible that has ever afflicted the country? And why has it not been?

No doubt the business of the country was in a sounder state than it had been at any former period. Such had been the wisdom with which the foreign affairs of the nation, the legitimate sphere of the Federal Government, had been managed, so many benefits had been conferred on Commerce, accustomed long to receive injuries rather than favors, that the trade of the last four years had been profitable, and the country was better prepared to sustain a heavy shock than at any previous period since the peace. This is the reason why distress was so long in coming, and goes far towards accounting for its mitigated form, but it does not account for all. The removal of the deposites saved the country from ruin. I repeat it—and the declaration rests on facts within every man's recollection. The discounts by the deposite Banks afforded immediate relief in all the great cities in the first part of October. The relief was what was essentially wanted at that time, and it continued, though not quite so complete, as for the first week or two, till the opening of Congress, and till the professional panic makers had time to make their unprincipled attacks on public confidence and public credit. In such a case time is everything.—Every man being anxious to discharge his debts, and knowing that the pressure might soon return in full force, accounts were liquidated to a vast amount, and balances struck and settled in great numbers in the few weeks that intervened. In such times a few thousand dollars passing from hand to hand facilitate the settlement of hundreds of thousands in a few days. In New-York, in Boston, in Baltimore, in the other cities, this breathing time allowed them to recover a little, and to make their arrangements to meet the return of the crisis. The Bank had boasted by its President, that it could break the State Banks. It would have done this by demanding the specie for its balances against them, and by refusing to receive, as it has done in some instances, the illegal drafts issued by its own branches. The celebrated transfer drafts, by which the only *literal removal* of the deposites that has taken place was effected, prevented the boast from being realised. These drafts were placed in the hands of certain deposite Banks, to be used only in case the Bank of the United States should demand specie for balances against them, or refuse to take branch drafts of them. The occasion for their use occurred in a few instances, and the efficient

remedy was promptly applied, by presenting these transfer drafts, and removing a portion of the deposites from the vaults of the branch committing the aggression, to those of the deposite bank on which the attack was made. Of course this species of hostility was soon abandoned; but the attempt shows what system would have been adopted for the prostration of the State Banks, had not the energy of the Treasury Department repressed it at the outset. Thus the accommodations which the change of the place of deposites enabled the Banks receiving them to extend to the merchants, prevented individual failures, while the absolute removal of a small amount of the deposites, by the transfer drafts, with the more potent apprehension of others that might follow, prevented the State Banks from falling victims to the wrath of an incensed and soulless corporation.

What would have happened if the deposites had not been removed? The curtailments of the Bank would have wrought out its full effect. There would have been no pause, no stay in the progress of the pressure—no change except from bad to wosre. It has been contended that the cash duties increase the pressure but little, because the amount paid is immediately loaned out again, and often to the same individual who pays it. But had the deposites never been withdrawn, this would not have been so. Those sums would have been abstracted from the use of the community. Those millions would have followed the millions that have gone before them, to that bourne from which it seems few travellers return—the vaults of the mammoth Bank, to be locked in its inexorable grasp, instead of issuing, as they now do, from the counters of the deposite Banks, to relieve embarrassment and avert ruin. In the eastern fable, it was the last ounce that broke the back of the camel. Had credit been doomed to bear the additional burthens from which the removal of the deposites relieved it, it might have sunk under the intolerable pressure. The fierce and unremitted assaults on credit and confidence, by the incendiary panic makers at Washington, their collar men through the country, and the hireling stipendiaries of the Bank, might have prevailed. The concerted and simultaneous attacks made from all quarters on the City and State of New York, might have effected a dismal success. And if the New York Banks, whose failure seems to have been contemplated with such a fiend-like exultation, had been crushed, who can say that any other Banks, dependant as all are upon each other, would have survived? Desolation would have spread over the land, and human sagacity can hardly fix the limits which it might not have exceeded. Paralyze New York, the centre of our commercial operations—let the heart of our commercial system cease to beat—it can no longer impel the vital current through the arteries, and a palsy like the stroke of death, will pass to the furthest extremities. If the Deposites had not been removed, and if the predictions of the coalition prophets had not been disbelieved, it is difficult to see how these consequences could have failed to follow. The masterly measure of the Secretary, stopped for a while the increase of the pressure, till men could prepare for it, and till funds favored by the low rate of exchange, could flow into the country—and as for the prophets, their prophetical character was so well known that very few thought of believing them.

It is said however, for dates are easily forgotten, and party spirit

will make men swallow any absurdity, that it was the removal of the deposites which forced the Bank to curtail, and was the cause of all the mischief. How could the removal of the deposites in October, force the Bank to curtail in the August previous?

The friends of the Bank pretended to believe that the deposites would not be withdrawn down to the very moment when the order was issued. Even Mr. Duane, who was appointed on purpose to remove them, asserted that he did not understand that that measure had been decided on, until he was explicitly informed of the fact some time after the Bank begun to curtail. It could not be then, that the expectation of the removal furnished any excuse for commencing the pressure. Neither is this excuse alleged by the Bank; they would rather have us believe that the curtailment was the effect of the natural course of their business, which in the fall of the year usually diminishes the aggregate of their loans. Strange and incredible, it would seem, that, according to their own account of the matter, the principal Bank should have issued orders to the Southern and Western branches to restrict their business and curtail their discounts, in January, 1832, and that notwithstanding every effort made at curtailment by those branches, on which it was strenuously urged, the aggregate debt of the Bank in the valley of the Mississippi should have increased 10,346,824 dollars, from October, 1831, to May, 1832, a period of great prosperity, and yet that its debt should have been diminished by voluntary payments, without any pressure on the part of the institution itself more than four millions in August and September, 1833, after loud complaints of the scarcity of money had begun to be heard. If this be not true, the Bank begun to curtail without excuse or pretext; but if this be true, then indeed the time chosen for the removal was the most fortunate; being the precise moment when the Bank had no occasion for the deposites, and could not use them, though the institutions which received them afterwards not only could, but did use them largely, and to the salvation of the country.

The Bank had curtailed before the removal of the deposites, 800,000 dollars more than were removed to the first of January. They might, therefore, so far as the deposites were concerned, have suspended their curtailments from the first of October to the first of January, and still have been in as secure a situation as they were on the first of August, when, by their own showing, they did not think it necessary to curtail. But suppose they had known of the intended removal as early as the first of August, would such knowledge have obliged them to curtail, or would they have done so in consequence of it, except for the purpose of augmenting the public distress, and thereby forcing a re-charter? The conduct of the Bank itself has answered the question, and demonstrated that they could not. *The Bank did not curtail when the three per cents. were to be paid, but, on the contrary, it went on extending.* On the 24th of Dec. 1831, the Cashier of the principal Bank writes, "that such appears to be the anxiety of the Government for the early extinguishment of the public debt, that *we are not likely to have the use of any considerable amount of Treasury balances during the coming year.*" And in January following, "the rapid redemption of the public debt will probably deprive the Atlantic offices, in a great degree, of the benefit of Government deposites during the whole of the present year."—

The Bank then knew, in Dec. 1831, that the public deposites were soon to be removed from its vaults, by the payment of the three per cents, almost double the amount of the deposites in August last. On the 24th of March, the Bank had notice that it would be called on to pay one half of this sum, six and one half millions, on the first of July. There was a withdrawal of deposites, *to be made in one day*, about equal to the whole withdrawal, which has been *gradually making during the last six months.* And how much did the Bank curtail in anticipation of the removal? Neither in December and January, when it expected, nor yet in March, when it received the notice that this immense payment was to be made speedily, did it curtail one dollar of its loans? No! Far from curtailing, it went on extending till it reached its highest point in May, 1832. In December, its aggregate debt was $63,026,000; in May, it had risen to $70,428,000; so that instead of curtailing, when it expected to be deprived of the benefit of the deposites during a whole year, and by the withdrawal of six or seven millions at once, it extended its debt seven millions four hundred thousand dollars! Shall it now be pretended that the gradual removal of a few millions in six months, (and they are not entirely removed) has forced the Bank to curtail at the rate of thirty millions a year? They must over-estimate the credulity of the American people who can put forward such a monstrous assumption. The Bank was under much less necessity of curtailing when the deposites were removed, than when the payment of the three per cents was to be provided for—for in March 1832, it had only six and a half millions, instead of nearly twice that sum—its circulation was greater than in August last—foreign exchange was less favorable to us, its available resources where every way less, in proportion to the demands that might be made upon it, than at the latter period.

Nicholas Biddle swears, that in 1825, he saved the country from a general bankruptcy, merely by an increase of the discounts of the New York branch to the *amount of fifty thousand dollars*, in one day. Why has not the Bank in 1834, with her ten or eleven millions of specie, her seven millions of private deposites, her two millions of balances against the State Banks, and her funds in Europe, done now what she could do with ten fold more safety than in 1825. She could with perfect ease, at any time for the last six months have increased her discounts ten millions, which would have enabled the State Banks to increase theirs twice as much more—yet still she keeps up this inexorable pressure, and we are told that it is all right and proper that she should do so—it is her good will and pleasure, and her collar men will kiss the rod that smites them, and say in humble resignation, it is good for us to be afflicted.

Nicholas Biddle testifies, that when he made his fifty thousand dollar discounts, "from this moment confidence revived, and the danger passed. I then thought, and still think, that this measure, the increase of the loans of the Bank, in the face of an approaching panic, could alone have averted the same consequences, which, in a few days afterwards, were operating with such fatal effect upon England. I have never doubted that the delay of a week would have been of infinite injury, and that the *prompt interposition* of the Bank, was the occasion of protecting the country from a great calamity." Though the coun-

try was even more easily to be saved in 1834 than in 1825, yet the Bank would never have made the trifling effort which, upon Mr. Biddle's theory, was necessary to save it. We owe it to the "prompt interposition" of the Government that the deposite Banks were enabled "to increase their loans in the face of an approaching panic" some three or four millions without "the delay of the week;" and "I have never doubted" that these millions added to the accommodations of the community at the most critical period did at least as much service as the celebrated fifty thousand dollars so much vaunted of by Nicholas Biddle.

The removal of the Deposites, therefore, having averted a shock such as has no precedent, and whose consequences would defy calculation, was productive of unmixed good—was it unconstitutional, or arbitrary? If the constitution did not warrant it—no matter what benefits might be expected from it—no matter how dangerous it might be to delay it—it were better that commerce and credit should perish, than that the sacred charter of our liberties should be violated. If the act cannot be done constitutionally, I, for one, would say, let it forever remain undone. Because, Sir, I belong to that school of politicians who hold that the Constitution is the Palladium of American Liberties, to be guarded from invasion, jealously, and at all hazards. Our creed was happily expressed by our patriotic President, when alluding to the noble ship whose name calls up so many recollections of glory—old Ironsides—he pronounced in his emphatic manner, that, "THE CONSTITUTION MUST BE PRESERVED." Preserved I trust it will be—and, like that cherished trophy and choicest monument of yankee skill and valor, when again she walks the waters on her proud career, bearing on her prow, fit emblem of her own thrilling history, the likeness of the defender of his country—renovated, regenerate, restored to its original force and vigor, cleansed from unwarranted assumptions and unnatural constructions, long to flourish and prevail in its youthful beauty and simplicity, the peculiar boast of the friends of freedom, the preeminent terror of her enemies. Entertaining for the Constitution such reverential sentiments, I would be among the last to approve any measure not strictly in conformitiy with its spirit. Was the removal of the deposites constitutional?

Under the act of 1789, establishing the Treasury Department, it was the duty of the Secretary of the Treasury to direct where the public monies in the Treasury were to be deposited—he was authorized to transfer them by draft from one place of deposite to another, and they were considered as being as much in the Treasury after such a transaction as before; the whole matter was exclusively in his power, subject to the supervision of the President. This the most zealous friends of the Bank do not deny, and thus far there is no disagreement of opinion. If the Secretary has lost this power, it must be by some provision of the Bank charter, expressly taking it from him; for it is not pretended that the power has been modified by any other action of Congress upon it, unless it be by the Bank charter. Let us look then at the language of the charter, and see how that modifies the power.

The 16th section of the charter declares that the deposites "shall be made in the said Bank or branches thereof, unless the Secretary of the Treasury shall *at any time* otherwise order and direct." So far from

taking away the power otherwise to order and direct, this expression would have given him the power if he had not already possessed it.—This clause was no part of it the original bill—it was a portion of an amendment in the hand writing of an enemy of the Bank, the Honorable Daniel Webster—and must have been intended to secure to the Secretary the right of withdrawing the deposites *at any time*, and to prevent the Bank from ever making the claim it now makes of a chartered right to the custody of the deposites. The power of directing where the public monies should be kept, having belonged to, and been exercised by every Secretary of the Treasury since the organization of the Government, and his power to order, at any time, that they shall be deposited otherwise than in the Bank, being recognized by the charter of the Bank in express terms, it is impossible to comprehend way the Secretary may not do that which was the established usuage of his office before the Bank was created, and which was not only admitted to be his right, but expressly reserved in the fullest and most explicit provisions by the charter of the Bank. Neither have any of the numerous arguments addressed to the Senate, to the House, and to the people explained the mystery—but in defiance of the *letter* of that act by which the Bank exists, they assume that it is unconstitutional to do what that act *without any limitation whatever* secures to the Secretary the power of doing. Upon such an assumption much verbose and highwrought declamation has been sustained by ingenious men—but until it has some firmer basis to rest upon, no matter how great the talent enlisted in its defence, it does not deserve an answer or a notice. There are truths so plain that argument cannot make them plainer, and the right of the Secretary to remove the deposites having been reserved in the Bank charter in the clearest words which Daniel Webster could select to express that right, I am not so weak as to suppose that I can make it clearer.

To deny this right is a new doctrine—a doctrine which Mr. Webster could not have anticipated in 1816, when he penned the sentence which makes it untenable and too absurd to require an answer. It is not however the only new doctrine invented for this occasion—and let me observe once for all, that if there had been any old, acknowledged, constitutional ground to condemn the removal of the deposites, such lawyers as have argued the case for the Bank in both Houses of Congress, could not have overlooked it. We should have had it served up in every form and with commentaries in every possible variety. Instead of old familiar principles however, *every* doctrine advanced by the opposition on this occasion is new, and not only new, but strange—not only strange, but in direct contradiction to all previous notions of the nature of our government. It is denied that the Secretary of the Treasury is removable by the President, although in the very act creating the Department [2d April 1789] provision is made for supplying his place temporarily, "*whenever the Secretary of the Treasury shall be removed from office by the President of the United States.*" It is denied that the President is responsible in any way for the acts of the heads of the Departments, or that it is any reason for changing one of them to ensure a concert and harmony of action among the different members of his cabinet. As if the Executive was not single, *a unit*, for the purpose of securing this very concert of action.

As if an Executive of two consuls, five Directors, or in any other compound form had not been found productive of great evils, and to avoid these evils we have one President instead of two, three, or a greater number. As if the general supervision of all the Departments and the taking care that the laws and the constitution are faithfully executed according to his own understanding of them, were not the principal duty of the President, without which his office would be but a mere sinecure.

These ingenious novelties, however, have been superseded by another fresher and more startling, which is that though the President may be responsible for the acts of all the other members of his Cabinet, and have the power of removing them when unwilling to be any longer responsible for their acts, still that he has not that power over the Secretary of the Treasury, *for the Treasury is not an Executive Department!* How desperate must be that cause which men of acknowledged abilities can find no pretence for supporting without resorting to such egregious absurdities. For the first time for forty-five years it is pretended that the Secretary of the Treasury is an officer of Congress. Does Congress appoint him? Can Congress remove him? If his duties are not Executive, what are they—Legislative, or Judicial? It is idle to argue against such a theory—never before heard of, and now brought forward without shadow or pretext. The President has the same duty of supervision, ultimate responsibility, and power of appointment and removal with regard to the head of the Treasury Department as with regard to the Secretaries of State, War, and the Navy—nor would any one have been found to doubt this, had there been tenable grounds for assailing the Administration.

The last objection is that the deposites should not have been removed till Congress met. And why? Had the measure been delayed, the pressure of the mammoth Bank would have been irresistible during the two intervening months, and after the session opened, Congress could have done nothing till the Secretary had first acted upon the subject. They had no right to meddle with it. The Secretary must *then* have ordered the removal and Congress could not restore the deposites except by passing a law. The event has shown they could not pass such a law, two branches out of three, approving of the measure. Why then should it have been delayed? The measure was not only constitutional, but it was not an *arbitrary* measure. It was a measure recommended by Jefferson, as long ago as 1803. In a letter to Albert Gallatin, he says of the Mammoth Bank—"this Institution is one of the most deadly hostility existing, against the principles and form of our Constitution. Suppose a series of untoward events should occur—an institution like this, penetrating by its branches, every part of the Union, acting by command and in phalanx, may, in a critical moment, upset the Government. I deem no Government safe which is under the vassalage of any self-constituted authorities, or any other authority than that of the nation, or its regular functionaries. What an obstruction could not this Bank of the United States, with all its Branch Banks, be in time of war! It might dictate to us the peace we should accept, or withdraw its aids. *Ought we then to give further growth to an institution so powerful, so hostile?* Now,

while we are strong, *it is the greatest duty we owe to the safety of our constitution, to bring this powerful enemy to a perfect subordination under its authorities.* The first measure would be TO REDUCE THEM TO AN EQUAL FOOTING ONLY WITH OTHER BANKS, AS TO THE FAVORS OF THE GOVERNMENT."

This measure, recommended by Jefferson, was practiced by Crawford, in the arrangement with the Western Banks in 1819, and in the assistance afforded to the Bank of Alexandria. In neither case was his right to determine where the deposites should be kept, disputed or doubted by the Bank of the United States—neither was he censured by Congrss for the exercise of this unquestioned right, when a committee of that body, of which Daniel Webster was a member, examined the charges against him, and exonerated him from all censure in his management of the public monies. At a later period, Mr. Ingham threatened to deprive them of the custody of the Government Deposites, and for the same reasons which finally justified the step; the Bank did not then deny his power or right to make good his threat. That denial was an after-thought, and originated, since the coalition of the Nationals and Nullifiers, with those other heretical novelties of the nullity of the Executive, of the seperate independence of the heads of Departments, of the irresponsibility and irremovability of the Secretaries, and that the Treasury is not an Executive Department but a subordinate branch of the Legislature. One hazards but little in predicting, that the chartered right of the Bank to the custody of the public funds, while the charter itself provides that the Secretary of the Treasury may *at any time* order them to be deposited elsewhere, will be, with all these other coeval heresies, alike abandoned, and in a few short months forgotten. Four years ago, the friends and champions of the Bank, considered the removal of the deposites *a salutary corrective.* In his report of the 13th of April, 1830, Mr. McDuffie justly and wisely remarks, that any attempt "to bring the pecuniary influence of the institution to bear upon the the politics of the country," may be punished "by withdrawing the Government Deposites." "*This power*," he adds, "*is in its nature a salutary corrective* creating *no undue dependence* on the part of the Bank." The country still holds the same opinion, and it cannot be doubted that the few who have so lately departed from this faith will for the most part soon return to it again.

The measure was not arbitrary, for the Bank, by its conduct, had made it indispensably necessary. From the first of August to the first of October, a curtailment of *more than four millions of dollars* in two months had gone on with unabated rapidity while the public deposites during the same time *had been increased* more than one million and a half of dollars. Was it the duty of the Government to stand by idle and see the Nation ruined, and even to assist the monster in sucking from the body politic the life blood of credit? George McDuffie shall again furnish an answer—"the Secretary of the Treasury would have the power to prevent the Bank from using its power *unjustly and oppressively by withdrawing the Government Deposites.*" Mr. Taney only *withholds*, he does not *withdraw* what has already been deposited—he adopts an expedient, therefore, much less arbitrary than

that which Mr. McDuffie had pointed out as the appropriate remedy.

It was a preparatory step towards winding up the concerns of the Bank. Its memorial declared that the question of the re-charter ought to be decided before the adjournment of Congress, in March, 1832, because it was "important that the country should begin *early* to prepare for the expected change." The Bank can now discount, *without the deposites*, ten millions more than it does, and yet be much better situated than it was two years ago. If it is its duty to go on curtailing, it can do this as well without the deposites as with them—and better, because its debtors may get from the deposite Banks the means to make their payments. The Bank does not want the deposites, and how is there any thing arbitrary in placing them in the custody of those who want and will employ them for the benefit of the community?

"The country must prepare itself," said Mr. Webster, on the reception of the Veto Message, in March, 1832, "to meet that change in its concerns which the expiration of the charter will produce." This was good advice, and Mr. Webster's followers ought not to complain that the Administration has taken it—they might with more consistency complain that it was not acted on eighteen months sooner If the taking from this Bank the uncertain use of a few millions, when it does not wish to use them, produces such a shock, how tremendous would the crisis be upon the expiration of the charter—and how much more terrible if these two pressures, now separated by an interval of two years and a half, had been accumulated into one? But in 1811, the old Bank gave up the deposites, and expired at once, without a shock. The present crisis therefore, so far as the Bank causes it, is its voluntary and wicked work. But if it were not voluntary, an institution which cannot be touched without arresting the prosperity of the nation in a moment, is too dangerous to be suffered to exist under a Republican Government.

The removal of the Deposites was not an arbitrary nor an ill-timed measure, unless the Bank is to be re-chartered. Does it deserve a re-charter? No! It is a monopoly too anti-republican, too dangerous, to be perpetuated. I love to quote such authorities as our opponents consider unexceptionable, and will give you on this point, the opinion of Hezekiah Niles, as expressed in 1820. "The *power* of the Bank of the United States," said this distinguished Whig, "is severely deprecated by the wise and good. It is an engine of a more formidable nature than any before known to our country—competent to dictate public measures and private conduct, and yet is irresponsible either to the government or the people. It cannot be doubted but the present Bank would conduct itself as badly as the old Bank did if there should be any strong political excitement. The circumstances of the times may be changed—and it may be the good pleasure of the Bank to oppose the Government with an ability to depress the public credit and to obstruct the public means, yet little thought of. As the Bank *can render money scarce when it pleases*, by checking its circulation, what may we not apprehend, *if the Bank should interfere in our elections*, zealously support this man and oppose that, and if unsuccessful, throw its weight in direct opposition to the Administration? There is no

prospect just now of such a political excitement as has been spoken of; but let it come when it will, and it will one day or another agitate us, *the Bank will most assuredly be a political machine.* Whether as such it happens to be on my side or against me, I shall still hold the same opinion of it, *that it is an unconstitutional Institution.*"

It is not necessary to look to Hezekiah Niles for authority to prove the Bank unconstitutional. In the Convention which formed the Constitution, the power to grant acts of incorporation was proposed to be given to the new government and rejected on the very ground that under that power they might create a Bank. *Massachusetts voted against the power.* When the old Bank was chartered, the whole Democratic party opposed the charter, and continued opposed to the Institution while it existed. In 1811, they refused to recharter it, and Henry Clay, then a Democrat, in his speech against the recharter of the Bank, thus expressed himself—"The great advantage of our system of government over all others, is, that we have a written Constitution, defining its limits, and prescribing its authorities. But once substitute practice for principle—the *expositions* of the Constitution for *the text of the Constitution*—and in vain shall we look for the instrument in the instrument itself. It will be as diffused and intangible as the pretended Constitution of England. I conceive, then, Sir, *that we are not empowered by the Constitution,* nor bound by any practice under it, to renew the charter of this Bank."

Upon the question of the constitutionality of this Institution, no new light has since been shed. The official opinion drawn up by Jefferson in 1791, wherein he demonstrates that the incorporation of a Bank has not been delegated to the United States by the Constitution, still rests unshaken on the same grounds which then sustained it. It is as true now as it was when Mr. Clay delivered his unanswerable argument against the Bank in 1811, that we have a written constitution limiting the powers of the Federal Government—that the TEXT of that instrument does not contain one word to warrant the Federal Government to create a Bank, and that the framers of that instrument, *by an express vote, refused to confer that power.* The assertion still continues undeniably true, which Mr. Webster advanced in his able speech in 1816, in opposition to the charter of the present Bank, that "*the framers of the Constitution,* and those who enacted the early statutes on this subject, *were hard money men*—they had felt, and therefore duly appreciated, the evils of a paper medium. They therefore sedulously guarded the currency of the United States from embarrassment. *The legal currency of the United States was gold and silver coin.*"

But though a National Bank were as constitutional as Henry Clay has proved it to be unconstitutional—though the charter of the present Bank had been as expedient as Daniel Webster proved it to be inexpedient, still, it has violated its charter again and again, and that fact alone is a sufficient reason why its existence should not be prolonged. The proofs are before the public—it is unnecessary to recapitulate them—they are conclusive.

The present Administration may confidently claim and will assuredly receive the gratitude of posterity, for the vigorous and successful efforts it has made to restore the Constitution to its original simplicity

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and purity. Already the system of unequal burthens on commerce, and of oppressing the inhabitants of the seaboard, to raise money to squander in electioneering schemes in the Western States—the system of carrying on local improvements, without warrant from the Constitution, at the national expense; and the system of Mr. Clay, in his land bill, to bribe the Atlantic States to come in to these usurpations, by returning them a small share of the plunder (to Massachusetts for instance, one dollar out of every five taken from her, a process by which the National Republicans expected the Commonwealth to grow rich) all these systems have fallen under its repeated blows.

The engine which completed the machine of corruption, "this engine," says Mr. Jefferson, "was the Bank of the United States." This also is tottering—in the words of Daniel Webster, "the Bank has fallen, or is to fall."

That vast fabric of consolidation, made up of so many complicated abuses, which six years ago, stood so firm as to defy every attack, is now prostrate and in ruins; the Bank is the only pillar that remains, shattered and soon to be overthrown. Six years ago, it seemed to be forgotten that we had a written Constitution *limiting* the Government; it was a waste of words to argue against constructive powers. Now constructive powers are for the most part abandoned—the Bank is the last of the long list of encroachments on the Federal Constitution—let this be once suppressed and the government may set out again upon nearly the same principles upon which it started in 1789, and from which it had been almost constantly departing down to the fourth of March, 1829. For this restoration or revolution, if people prefer to call it so, we may thank the incorruptible Republicanism and unconquerable energy of Andrew Jackson.

But those who see only those objects which are immediately presented to their vision, and take no notice of what may be in the least remote from their narrow sphere, overlook entirely the evils of nullification, which our progress towards consolidation had already produced, and the certainty of civil war, disunion, anarchy, and final despotism to which that progress must have ultimately brought us, and see only the evils of a disordered currency magnified and multiplied by the distorted aspect which the panic gives them. These short-sighted and faint-hearted dupes of the panic mongers cry out that an unconstitutional Bank is better than the state which must follow after the monopoly expires, and that we must have a national Bank, right or wrong, to regulate the currency! A national Bank regulate the currency! How has the Bank of England regulated their currency? By stopping specie payments for more than twenty years—by producing terrible fluctuations in the value of money and property, and the most calamitous revulsions in business and credit—by causing the country to be flooded with counterfeit notes, and making forgery so common that from two or three convictions in a year for that crime, the number increased to two hundred and twenty-seven in a year. And how has our Bank regulated our currency? Very much in the same way, Sir. After having brought on the distress of the years 1818, '19, '20, it closed its Western offices from 1819 to 1827, and left the valley of the Mississippi, which it had drained of its specie and the local Banks

which it had thrown into inextricable confusion, to recover from the operations of the *regulator*, as they could. At that time, according to the confession of its President, Mr. Cheves, it came very near suspending specie payments, and had it done so, it would have compelled all other Banks, except perhaps those of New England, to do the same. It has done more than any single agent besides to produce the present derangement of the currency and the whole land is deluged with counterfeit notes and drafts of its branches, of which counterfeits about *two hundred editions* are known to have been issued. No, Sir, it is the State Banks that are to regulate the currency, as they have regulated it hitherto. Under the influence of the resolution for the better collection of the revenue passed in April 1816, they restored specie payments, and have continued them. Mr. Webster in his speech in favor of that resolution laid down the true doctrine. "I have expressed my belief," says he, "on more than one occasion, and I repeat the opinion, that it was the duty and *in the power* of the Secretary of the Treasury, on the return of peace, to have returned to the legal and proper mode of collecting the revenue. The paper of the Banks, rose, on that occasion almost to an equality with specie; that was the favorable moment. The Banks in which the public money was deposited *ought* to have been induced to lead the way, by the sale of their government stocks, and other measures calculated to bring about, moderately and gradually, but regularly and *certainly* the restoration of the former and only safe state of things. *It can hardly be doubted that the influence of the Treasury* COULD HAVE EFFECTED ALL THIS!!" So it seems the influence of the deposite Banks was of itself sufficient to bring back a sound currency, in 1816, Daniel Webster being Judge, speaking after the present Bank had been chartered, in opposition to his own vote, and in this very speech reiterating his adverse opinion of it. "A Bank of thirty-five millions has been created for the professed purpose of correcting the evils of our circulation, and facilitating the receipts and expenditures of government. *I am not so sanguine in the hope of great benefit from this measure as others are.*" These opinions of that great man, I consider the more valuable from the fact that they were expressed long before it was discovered that his great inconsistencies constituted the distinguishing feature in his great character—before he was known as a leader of the anti-bank party and of the Bank party—opponent and champion of the same institution—as the leader of the anti-tariff and of the ultra tariff parties—opponent and champion of the same policy—voting against a low tariff because it was too high, and objecting against a high tariff because it was too low—objecting against the same tariff, I mean that of 1824, at one time that it went too far, at another time that it did not go far enough—a denouncer of Nullification, and playing into the hands of Nullifiers—deprecating the spirit of the Proclamation before it issued—shouting hosannahs to Andrew Jackson as soon as it is received—protesting before hand against the employment of force, and employing all his energies to pass the enforcing bill. Before Mr. Webster had assumed so many different attitudes, his opinions certainly carried more weight with them than they should at present. Unless in the prime of manhood, in the unbiassed

possession and exercise of all his powerful faculties, Mr. Webster was always wrong, the present Administration has been right in such of its leading measures as he has most violently opposed. Unless the corrosion of disappointed ambition has cleared his vision and rectified his judgment—unless the desperation of political bankruptcy has cooled his passions and allayed his prejudices, the approbation of Daniel Webster eighteen years ago, was worth a great deal more than it now is. But whatever may be thought of his opinions then or now, it may be set down as a historical fact, that his resolution for the better collection of the revenue, produced the effect for which it was intended, and by operating on the State Banks, brought about an almost immediate restoration of specie payments and a sound currency, and demonstrating thereby that a mammoth corporation which always acts as a disturber cannot be necessary as a regulator.

To these remarks, Sir, one answer will be made. It will be said I have spoken like a party man. Sir, I confess it. I have spoken as a member of that party, blessed be God! nine tenths of this nation, whose creed is that the American Government was instituted for the good of the American people—not to serve the purposes of a joint stock company—not to pamper this man nor that man—but to protect equally every man's interests. To that party I belong. In the name of that party I have spoken—that party who, rising in the might of righteous indignation, are even now about to overturn the tables of the money changers, and purge the sacred temple of their liberties from the foul contamination of unholy mammon.